



NBA VALUATION AND RECOMMENDATIONS



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OVERVIEW

Situation	Problem	Considerations	Solution
<ul style="list-style-type: none">• The Denver Nuggets need to replace the shooting forward position for next season• The position may have 2 potential openings	<ul style="list-style-type: none">• Need to choose one of three candidates to fill the shooting forward position• Select a backup candidate due to the possible departure of Jerami Grant	<ul style="list-style-type: none">• Select free agents with the best shooting and offensive skills• \$26 million on free agent picks before hitting luxury tax threshold	<ul style="list-style-type: none">• Compare career stats between three candidates• Build a valuation model on overall NBA player salaries• Compare with candidate's previous contracts to assess value



Multiple Linear Regression

LASSO Regression

Reason for testing:
Backward-Stepwise Selection
for reducing variables

Reason for testing: Accounts
for multicollinearity in the
selection process

Measures of Fit:

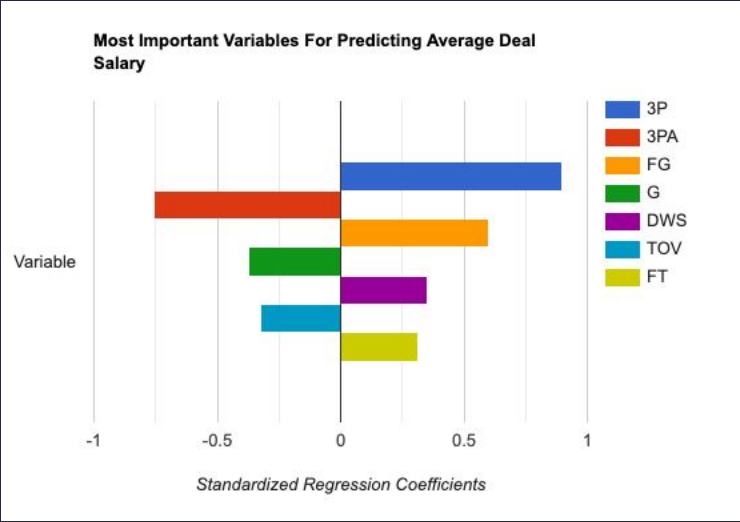
- R-Squared: 0.7602
- MSE: 2,052,276

Measures of Fit:

- R-Squared: 0.7649
- MSE: 3,403,819



Model Summary



<u>Variables Most Correlated With Average Salary</u>	<u>Correlation Coefficient (r)</u>
Points	0.7878
Field Goals	0.7758
Win Shares	0.7737

<u>Variables Most Correlated With Each Other</u>	<u>Correlation Coefficient (r)</u>
Points & Field Goals	0.9909
Points & Attempted Field Goals	0.9857
Field Goals & Attempted Field Goals	0.9818

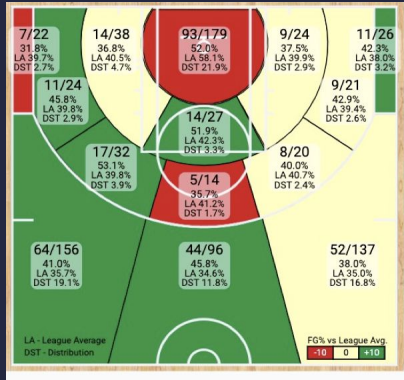


Candidate Valuation and Career Stats

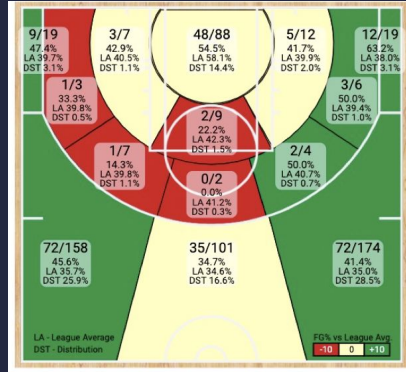
Candidate	Projected Annual Valuation	Previous Contract Annual Salary	2-Point Field Goal Success	3-Point Field Goal Success	Free Throw Success Rate	Offensive Rebounds	Assists	Steals
Danny Glover	\$22,256,528	\$21,666,667	46.5%	38%	87.3%	0.7	2	0.8
David Bowie	\$16,447,223	\$7,000,000	52.6%	41.1%	84.9%	0.4	1.1	0.4
Mike Meyers	\$14,670,416	\$15,000,000	47.4%	36.7%	75.9%	1	1.5	0.7



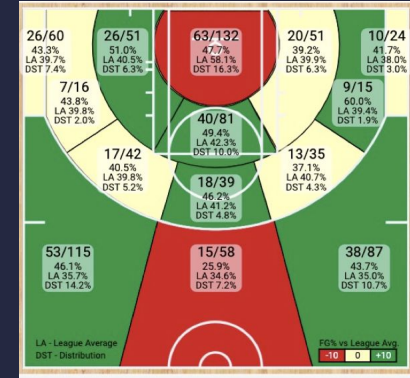
Candidate Valuation and Career Stats



Glover Shot Chart



Bowie Shot Chart



Meyers Shot Chart



Recommendations

Primary: Select **David Bowie** as the new **Shooting Forward**

- Worth significantly more to the team than his previous contracts
- Highest 2-point and 3-point field goal success rate
- Second-highest free throw success rate among the three candidates
- Best shooting accuracy at the top of the key and low post

Secondary: Select **Mike Meyers** as a backup for that position

- Can hire him without going over luxury tax threshold
- No overall significant differences between his and Danny Glover's career stats
- Wide range of areas with accurate shooting

